Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

UNCLASSIFIED

PAGE 01 PRETOR 04655 211343Z

51
ACTION EB-11

INFO OCT-01 AF-10 ISO-00 COME-00 INT-08 TRSE-00 OMB-01

SCI-06 SCEM-02 NEA-10 SIL-01 LAB-06 IO-14 EUR-25

DOTE-00 AGR-20 TAR-02 CIEP-02 STR-08 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01

PRS-01 SPC-03 SS-20 USIA-15 DRC-01 /205 W
---------- 069004
R 211159Z DEC 73
FM AMEMBASSY PRETORIA
TO SECSTATE WASHDC 9077
INFO AMCONSUL CAPE TOWN
AMCONSUL DURBAN
AMCONSUL JOHANNESBURG

UNCLAS PRETORIA 4655

E.O. 11652: N/A
TAGS: ENRG, SF
SUBJ: OIL CRISIS - GENERAL MOOD

1. THREE WEEKS AFTER ANNOUNCEMENT OF ARAB OIL BOYCOTT, COUNTRY APPEARS TO BE IN WAIT-AND-SEE MOOD. IT IS ACCEPTED THAT SA MORE VULNERABLE TO BOYCOTT THAN ORIGINALLY THOUGHT (I.E. IRAN SUPPLIES MUCH LESS OF CRUDE IMPORTS THAN POPULARLY BELIEVED), THAT GASOLINE RATIONING PROBABLY INEVITABLE, THAT THERE WILL BE SOME INDUSTRIAL DISLOCATION WITH CONCOMMIANT SECTORAL UNEMPLOYMENT, AND THAT SHORTAGES AS WELL AS OIL PRICE INCREASE WILL AGGRAVATE INFLATIONARY PRESSURES. CONTINUING LACK OF SPECIFIC INFORMATION PRECLUDES ANY MEASURE OF DIMENSIONS OF PROBLEMS FACED BY ECONOMY THOUGH PRESS CONTINUES TO ISSUE GENERAL WARNINGS OF IMMINENT DANGER. OVERALL MOOD, HOWEVER, FOLLOWS TONE SET BY PRIME MINISTER IN HIS DEC. 4 STATEMENT (PRETORIA 4436) IN WHICH IN VERY LOW KEYED MANNER, HE RECOGNIZED SERIOUSNESS OF SITUATION BUT EMPHASIZED THAT THERE NO RPT NO BASIS FOR PANIC.
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PRETOR 04655 211343Z

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

2. TO FILL OBVIOUS GAPS IN ORGANIZATION AND INFORMATION GATHERING, SAG HAS APPOINTED JOEP STEYN (SEC. OF COMMERCE) AS PETROLEUM CONTROLLER AND ANNOUNCED FORMATION OF PETROLEUM ECONOMIZING COMMITTEE UNDER LEADERSHIP OF DR. J.P. RIEKERT (CHAIRMAN, PRIME MINISTER'S ECONOMIC ADVISORY COUNCIL). COMMITTEE IS COMPOSED OF BOTH PUBLIC AND PRIVATE REPRESENTATIVES AND HAS MANDATE TO EXPLORE ALL POSSIBLE WAYS TO SAVE PETROL, ESPECIALLY BY USING ALTERNATIVE SOURCES. SAG HAS ALSO ANNOUNCED IT CALLING ON PRIVATE OIL INDUSTRY EXPERTS TO JOIN WORK IN PROGRESS TO DEVISE RATIONING SYSTEM.

3. PRESS HAS SPECIFICALLY IDENTIFIED SOME INDUSTRIES AS LIKELY VICTIMS OF OIL CRISIS, MOST NOTABLY TOURISM, MOTOR INDUSTRY AND ANCILLARY SERVICES, AND PLASTICS. THERE ARE CONFLICTING REPORTS ON EXTENT TO WHICH LAY-OFFS HAVE ALREADY OCCURRED. MOST IMMEDIATELY THREATENED ARE WORKERS ASSOCIATED WITH GASOLINE DISTRIBUTION AND CAR REPAIR WORKS.

4. RECENT ECONOMIC PROJECTIONS HAVE GENERALLY TAKEN THE LINE THAT IT IMPOSSIBLE TO PREDICT IMPACT ON ECONOMY AS IT WILL DEPEND ON EFFECTIVENESS AND DURATION OF BOYCOTT. IT GENERALLY ASSUMED THAT COUNTRY CAN WEATHER BOYCOTT BUT THAT INFLATIONARY PRESSURES WILL BE AGGRAVATED AND THAT EARLIER OPTIMISTIC PREDICTIONS OF 1974 GROWTH RATES WILL HAVE TO BE SCALED DOWN. INTERESTINGLY, RECENT UK ECONOMIC CRISIS SEEN AS HAVING MORE DIRECT NEGATIVE IMPACT ON FUTURE SA ECONOMIC GROWTH THAN BOYCOTT.

5. DEC. 14 FINANCIAL MAIL ARTICLE CALLS ON SAG TO STEP-UP FORWARD PLANNING AND LISTS FOLLOWING AS DESERVING ATTENTION: (A) RELOCATION OF WORKERS LIKELY TO BE FIRED AS RESULT OF CRISIS;
(B) IMPROVEMENT IN MASS TRANSPORTATION FACILITIES AND TAXI SERVICES; (C) REVIEW OF IMPORT POLICY ON PRODUCTS MADE FROM OIL INCLUDING POSSIBLE EMERGENCY IMPORTS AND/OR LOWER TARIFFS; (D) POSSIBLE EMERGENCY ASSISTANCE INCLUDING FINANCIAL AID TO INDUSTRIES HIT HARD BY CRISIS.

6. COMMENT: IT UNLIKELY THAT THERE WILL BE ANY MAJOR NEW
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 PRETOR 04655 211343Z

DEVELOPMENTS AS COUNTRY ENTERS INTO HOLIDAY PERIOD. NEW YEAR, HOWEVER, LIKELY TO SEE INCREASE IN ADMINISTRATIVE CONTROLS AS WELL AS MORE PUBLIC DISCUSSION, ESPECIALLY AS PARLIAMENT OPENS TOWARD THE END OF JANUARY.
SMITH

UNCLASSIFIED

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, SUPPLIES, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 21 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973PRETOR04655
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: PRETORIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731210/aaaaahgo.tel
Line Count: 112
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 13 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13-Dec-2001 by williadt>; APPROVED <18 MAR 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OIL CRISIS - GENERAL MOOD
TAGS: ENRG, SF
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005